

## GREEN TIER 1 REPORT

Green Tier 1 Report FY18/FY19:

**Donaldson Company Inc**

**Baldwin WI Plant**

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Plant Manager

A Green Tier 1 report submitted for the Baldwin Plant  
Encompasses fiscal year 2018 that runs from August 1<sup>st</sup>, 2017  
to July 31<sup>st</sup> 2018. Also, fiscal year 2019 that runs from August 1<sup>st</sup>, 2018  
to July 31<sup>st</sup>, 2019.

February 2019

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**Executive summary:**  
**Donaldson Company drive towards superior environmental performance.**

**Baldwin WI**

Our plant in Baldwin Wisconsin was certified to the new ISO14001:2015 standard in June 2018. We are committed to providing employees a safe working environment and protecting the environment for future generations. Our plant takes pride in following all regulatory regulations to ensure we don't harm employees or the environment. Our sustainable goal is to continue to reduce our output of hazardous wastes per unit and identify areas to decrease opportunities for environmental impacts.

One of our waste reduction projects were perusing is investigate using chemicals to reduce phosphates and other cleaning agents that are disposed as hazardous waste.

We also have made strides in the last several years by installing LED lighting in our high bay production area and new chemicals identified for our wash tanks.

Our biggest hurdle to making progress has been employee resources allocated to work on these projects. The plant has experience employee turnover in the EHS department twice in the past 18 months resulting in a slow down in research of new sustainable solutions.

## **Environmental Performance**

### **Transportation**

Currently, the Baldwin plant has several employees that commute to work via bicycle during the summer. Baldwin population is 3,957 so most of the employees travel in from outside the city. Two bike stations are located on the property and are used during good weather by several employees. The reduction in vehicle traffic has impacted our reduction in cars in the company parking lot and reduced the number of vehicles parked on the public roads. Estimated number of employees biking to work in the summer is between 4-8,

### **Supply Chain**

The Baldwin plant is also reviewing the current usage of Nitrogen supplied by Praxair from the twin cities. The plant currently leases a 1,500-gallon tank from Praxair that needs to be filled at least twice per week by a fill truck. This 80 to 100 mile round trip could be reduced to once per every two weeks by replacing the tank from 1,500 gallons to 6,000 gallons. The change would reduce over the road truck mileage by 75%. This reduce the carbon footprint of our supply chain. The goal of this project would take place in Spring/Summer 2019.

### **Stakeholder Involvement**

The Baldwin plant also updates employees during the year via monthly plant meetings. We provide updates on our Green Tier progress from our targets and objectives we set in our ISO14001:2015 framework and deliver employee trees during earth day activities. Another activity that we promote is a volunteer session during work hours to pick up trash on the company property during earth week.

## **Targets and Objectives**

The Baldwin plant also updates Targets and Objects progress to employees during the year based the ISO14001:2015 framework. Listed below are the targets and objectives set for the Baldwin Plant for fiscal years FY18/FY19.

### **Waste Minimization**

Listed below are the waste minimization projects complete last fiscal FY18 year and new ones planned for FY19.

#### ***FY18 August 1<sup>st</sup>, 2017 to July 31<sup>st</sup>, 2018***

One of the projects for FY18 was to investigate covering our six outside dumpsters used to collect the scrap metal used in our laser cutting and weld processes. We looked at cover the dumpsters with a lean building, but it became cost prohibitive. The second option of roll-off covers were reviewed and identified as a feasible solution. The process of purchasing the covers were completed.

#### ***FY19 August 1<sup>st</sup>, 2018 to July 31<sup>st</sup>, 2019***

Six roll-off cover were installed on the dumpsters to prevent rain and snow from entering the dumpsters and filling them with water. The dumpsters are separated for wood, stainless, aluminum, and carbon steel.

Donaldson Company receive a certificate from Rollaway Rolloff identifying the Baldwin plant diverting 115.69 tons of waste from being delivered to landfills. 71.26 tons were diverted to wood mulch and 44.43 tons of waste converted to the waste-to-energy program.

## **Chemical Management**

Listed below are the waste minimization projects complete last fiscal FY18 year and new ones planned for FY19.

### ***FY18 August 1<sup>st</sup>, 2017 to July 31<sup>st</sup>, 2018***

One of the projects for FY18 was to investigate using e-lubricant alternatives in our metal working processes such as machining center and hydraulic oils. However, the e-hydraulic oil was \$13,500 dollars per machine and it was not cost effective to make the switch. We did install a new paint vault closer to our paint booths to reduce the transportation of paint and cleaners through the plant.

This process eliminated 33 trips across the plant weekly of forklift travel, reduced LP usage and the chance of the chemical spill.

### ***FY19 August 1<sup>st</sup>, 2018 to July 31<sup>st</sup>, 2019***

The engineering team is reviewing using phosphate free chemicals in our paint wash booths and dip tanks to reduce our phosphates being sent off site to WWTP.

## **Improve Environmental Compliance**

Listed below are the environmental compliance projects complete last fiscal FY18 year and new ones planned for FY19.

### ***FY18 August 1<sup>st</sup>, 2017 to July 31<sup>st</sup>, 2018***

Added another Local Exhaust Ventilation system for our large cell weld stations to support cleaner air inside our production facility.

***FY19 August 1<sup>st</sup>, 2018 to July 31<sup>st</sup>, 2019***

A new capital equipment plan is being designed for industrial weld fume collection encompassing a large network of welding cells. We are involving a third-party design team and corporate engineers to build a system using Donaldson Company equipment. The installation will probably be complete in FY20 and provide a cleaner work environment inside our facility.

**Reduction in Energy Consumption**

Listed below are the energy consumption reduction projects complete last fiscal FY18 year and new ones planned for FY19.

***FY18 August 1<sup>st</sup>, 2017 to July 31<sup>st</sup> 2018***

LED lighting was added to several areas of the plant reducing the use of fluorescent lights in the facility.

***FY19 August 1<sup>st</sup>, 2018 to July 31<sup>st</sup> 2019***

Plan is to add LED lights in the offices and request quotes for solar panels to be used for dip tank heating and fork lift battery charging station.

Timothy McCormick also contacted Mack Gapinski at Sun Peak company to quote 1,408 solar modules to be placed on the roof to provide electricity to power our fork lift battery charge station along with the power wash booth. The estimated saving of \$45,000 per year with a system investment of \$604,000. The plan will be reviewed by corporate finance to determine ROI and feasibility to add into future budgets.



### **Contractor Competency**

Listed below are the environmental compliance projects complete last fiscal FY18 year and new ones planned for FY19.

#### ***FY19 August 1<sup>st</sup>, 2018 to July 31<sup>st</sup> 2019***

New for the Baldwin Plant is review Contractor Competency and involving them in our EHS framework. Each contractor is provided Baldwin's contractor handbook and is required to complete onsite training before starting projects. The training is provided by a Donaldson manager or supervisor and reviews all EHS requirements.

### **DNR relationship**

Baldwin's EHS manager has cultivated a relationship with John Stoffel our local DNR representative in Baldwin WI. John has reviewed documents and answer questions relating to regulatory requirement or local regulations that we hard questions regarding tasks. This relationship is key to ensure we meet and comply to all requirements and improve year to year.

### ISO14001:2015 FY18 Management Review (May 2018)

Table 1 below depicts the internal audit findings and status of the actions accompanying the findings during the May2018 review. These internal audits were done before the external BSI audit team attended the Baldwin plant for the ISO14001:2015 certification.

### ISO14001:2015 Management Review Internal Audits

Finding		Action	Status
1	Procedure 401.010.000 defines management responsibility. No training completed for Timothy McCormick or Ned Pettit.	Scheduling procedure reviews, discussion, and sign-off.	In-Process
2	No management review completed	Complete management review	Complete
3	Review of processes did not show evidence of contractor competence evaluation to meet the intent of section 7.2a stating "determine the necessary competence of person(s) doing work under its control."	Working to define a process to clarify evaluation criteria for bids and work on behalf of DCI	In-Process
4	Undocumented procedure was used to upload data to the system.	Incorporate identified procedure in a controlled document	In-Process
5	2 different Hazardous communication training revisions were in use.	Create a controlled document with the correct training quiz. Review for other instances.	In-Process
6	Uncontrolled document found on the floor does not match documented version in QMS.	Remove uncontrolled document and replace controlled document. Complete a plantwide sweep looking for similar instances.	In-Process

Table 1. FY18 ISO14001:2015 internal audits results

## ISO14001:2015 Management Review

### Nonconformities and Corrective Actions

Finding		Action	Status
1	Q3 spray booth inspections at dept's 19 and 35 identified nonconformities due to accumulation of residue.	Solicited a bid from Ahern to perform full system inspection and propose corrective actions. (Ahern has required equipment)	In-process
2	Nicholasville plant identified a natural gas leak, therefor Baldwin reviewed internally and identified deficiencies within the plant.	Hired Ahern to correct deficiencies, added valves to natural gas piping to isolate natural gas powered equipment. Updated ECP plan.	In-process, estimated 90% complete
3	Annual sprinkler inspection identified non-compliant sprinkler heads.	Replacing damaged sprinkler lines, supply valve, and sprinkler header.	In-process, estimated 75% complete
4	Nonconforming disconnects identified on roof	Replaced disconnects	Complete
5	Herculift identified nonconforming forks (worn heel)	PO submitted to purchase new forks	In-process
6	No external nonconformities identified	N/A	N/A



Table 2. FY18 ISO14001:2015 internal audits corrective actions

### FY19 ISO14001:2015 Management Review (Oct 2018)

The following tables are the results from the ISO14001:2015 Management Review completed October 2018. The tables include actions completed from the last Management Review, corrective actions from internal audits, conclusions, and communication to external parties.

### ISO14001:2015 Management Review Previous Management Review Action Item Status

Action		Responsibility	Status (Open/Closed)
1	Update safety map	Ned/Joe/Ben	Status is open due to warehouse sprinkler upgrade.
2	Quantify MUA energy savings	Ned/Ben	Open – Ned/Ben
3	Evaluate suitability of training tracking software (e.g. <u>Intellex</u> ) for Baldwin.	Darcy	Open – Workday
4	Perform an annual review of targets and objectives including potential risks and hazards via site level risk assessment.	Ned/Ryan	Closed
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Table 3. FY19 ISO14001:2015 actions from last Management Review.

## ISO14001:2015 Management Review

### Nonconformities and Corrective Actions

Finding		Action	Status
1	Q3 spray booth inspections at dept's 19 and 35 identified nonconformities due to accumulation of residue.	Solicited a bid from Ahern to perform full system inspection and propose corrective actions. (Ahern has required equipment)	Closed
2	Nicholasville plant identified a natural gas leak, therefor Baldwin reviewed internally and identified deficiencies within the plant.	Hired Ahern to correct deficiencies, added valves to natural gas piping to isolate natural gas powered equipment. Updated ECP plan.	complete
3	Annual sprinkler inspection identified non-compliant sprinkler heads.	Replacing damaged sprinkler lines, supply valve, and sprinkler header.	complete
4	Nonconforming disconnects identified on roof	Replaced disconnects	Complete
5	Herculift identified nonconforming forks (worn heel)	PO submitted to purchase new forks	Complete
6	No external nonconformities identified	N/A	N/A

Table 4. FY19 ISO14001:2015 corrective actions.

## ISO14001:2015 Management Review

### Communication from External Parties NOTE 8

Date	Summary of Communication
9/10/18	Email correspondence from WI DNR(Agnes Cook) indicating that hazardous waste manifests initiated after June 30, 2018 will no longer be required to be submitted to the WI DNR, regardless of whether the shipment was in-state or out-of-state.
9/17/18	Email correspondence from WI DNR (John Stoffel) indicating "no questions or concerns" regarding Baldwin plan to replace burners in our paint curing oven with "in-kind" burners. [Baldwin's synthetic minor air permit (No. 656031860-F22) classifies the curing oven is an insignificant emission unit and the proposed project will not result in an increase in the 1.44 MMBtu/hr rating.]
9/17/18	Email correspondence from WI DNR (Megan Corrado) requesting additional information and submittals related to Baldwin's plan to replace burners in curing oven (see previous item). Currently working with Corporate EHS Dept. and Foth Engineering to resolve.

Table 5. FY19 ISO14001:2015 communication to external parties.



## ISO14001:2015 Management Review

### Conclusions

Question		Answer	
Are the current site-level EHS activities suitable and adequate to support achievement of the site's annual improvement plans and other site-specific targets and objectives?		X	Yes
			No
Are there any required changes – including resources – that are required to achieve the site's EHS targets and objectives?		X	Yes
			No
Are there any new risks, impacts, compliance requirements, continuous improvement opportunities or opportunities to integrate the EHS management system into other business processes?		X	Yes
			No
Comments			
1	New Management and recent changes to Safety Committee require additional focus on onboarding activities to get up to speed with DCI systems and procedures.		
2	Required change: Reconciliation of EHS Framework and existing ISO14001 system in furtherance of organization objectives (update documents, procedures, standard practices, WI's, etc). No significant human resource changes, cost implications of rollout estimated.		
3	Loss of institutional knowledge through retirements and employee attrition (risk), opportunity to evaluate headcount and succession planning. Looking at opportunities to remedy human resource challenges.		
4	Increased frequency of Check Point (action log) meetings to bi-weekly to review status of Baldwin objectives.		
5	Evaluating time allotment for EHS committee members to accomplish the activities outlined in the EHS committee charter and global EHS Framework.		
6	No implications for the strategic direction of the organization noted in the management review.		

Table 6. FY19 ISO14001:2015 conclusion

## ISO14001:2015 Management Review

### Communication from External Parties (Cont.)

Date	Summary of Communication
Monthly	Various copies of hazardous waste manifests from Nexeo (transporter) and associated Treatment, Storage, Disposal Facilities (TSDFs).
Monthly	Scrap reports from recycling center
10/30/18	No complaints from external parties received

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Table 7. FY19 ISO14001:2015 communication to external parties





Table 8, Waste Minimization with Rightaway Rolloff LLC

**Conclusion**

We are committed to providing employees a safe working environment and protecting the environment for future generations. Our plant takes pride in following all regulatory regulations to ensure we don't harm employees or the environment. Our sustainable goal is to continue to reduce our output of hazardous wastes per unit and identify areas to decrease opportunities for environmental impacts. We recently became certified to the new ISO14001:2015 standard in June 2018 and have a recurring Management Review to monitor all activities.

Our current challenge of the Baldwin Plant is retention of qualified EHS manager and employee to drive activities. In the past 18 months we had two EHS Managers leave our plant to pursue new positions and we've lost some traction on task. So, we are actively seeking more resources and dividing task to all employees who have the bandwidth to complete activities.